

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 24-12480 (LSS)  
(Jointly Administered)

**Objection Deadline: March 27, 2025 at 4:00 p.m. (ET)**

**SUMMARY OF THE FIRST MONTHLY FEE STATEMENT OF  
PERELLA WEINBERG PARTNERS LP FOR PAYMENT OF COMPENSATION  
AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD FROM  
NOVEMBER 26, 2024 THROUGH DECEMBER 31, 2024**

Name of Applicant:	<u>Perella Weinberg Partners LP (“PWP”)</u>
Authorized to Provide Professional Services to:	<u>Official Committee of Unsecured Creditors</u>
Date of Retention:	<u>February 12, 2025, effective as of November 26, 2024 [Docket No. 969]</u>
Period for Which Reimbursement Is Sought:	<u>November 26, 2024 through December 31, 2024</u>
Amount of Compensation Sought as Actual, Reasonable, and Necessary:	\$163,333.34 (80% of \$204,166.67)
Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary:	\$43,401.27

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

This is a(n):   X   monthly        interim        final application

**Prior applications:** N/A

		<b>Requested</b>		<b>Approved</b>	
<b>Date Filed / Docket No.</b>	<b>Period Covered</b>	<b>Fees</b>	<b>Expenses</b>	<b>Fees</b>	<b>Expenses</b>
-	-	-	-	-	-

**FIRST MONTHLY FEE STATEMENT OF  
PERELLA WEINBERG PARTNERS LP**

**SUMMARY OF TIME RECORDS BY PROFESSIONAL  
NOVEMBER 26, 2024 THROUGH DECEMBER 31, 2024**

<b>Name</b>	<b>Position</b>	<b>Total Hours</b>
Bruce Mendelsohn	Partner	23.0
James Wappler	Partner	14.0
Matt Rahmani	Managing Director	25.0
Kendyll Corber	Director	20.0
Bruce Baker	Associate	56.8
Emma Golden	Analyst	20.0
Daniel Augustine	Analyst	42.8
<b>Total Hours</b>		<b>201.5</b>

**SUMMARY OF TIME RECORDS BY CATEGORY  
NOVEMBER 26, 2024 THROUGH DECEMBER 31, 2024**

<b>Category</b>	<b>Total Hours</b>
General Case Administration	44.0
Committee Meetings and Discussions and POR and M&A Strategies	27.0
Debtor Meetings and Discussions	47.5
Creditor Meetings and Discussions	11.0
PWP Retention	0.0
Travel	8.0
Due Diligence, Business Plan and Related Analyses	49.0
Expert Testimony and Hearing Preparations	0.0
Valuation Analysis	15.0
<b>Total Hours</b>	<b>201.5</b>

**SUMMARY OF EXPENSES BY CATEGORY  
NOVEMBER 26, 2024 THROUGH DECEMBER 31, 2024<sup>2</sup>**

<b>Name</b>	<b>Total Expenses</b>
Employee Meals	\$15.25
Employee Travel	\$625.52
Third-Party Legal Fees	\$42,760.50
<b>Total</b>	<b>\$43,401.27</b>

<sup>2</sup> The expense reimbursements requested in the attached Monthly Fee Statement may not include certain expenses incurred by PWP during the fee period that have not been processed as of the date hereof. Any such expenses will be included in future Monthly Fee Statements.

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 24-12480 (LSS)

(Jointly Administered)

**Objection Deadline: March 27, 2025 at 4:00 p.m. (ET)**

**FIRST MONTHLY FEE STATEMENT OF  
PERELLA WEINBERG PARTNERS LP FOR PAYMENT OF  
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE  
PERIOD FROM NOVEMBER 26, 2024 THROUGH DECEMBER 31, 2024**

Perella Weinberg Partners LP (“PWP”), the investment banker for the official committee of unsecured creditors (the “Committee”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”) of Franchise Group, Inc. and its affiliated debtors and debtors in possession (collectively, the “Debtors”), hereby files its first monthly fee statement (this “Fee Statement”) requesting (i) interim allowance of compensation for professional services rendered on behalf of the Committee during the fee period in the amount of \$204,166.67, representing 100% of the

---

<sup>1</sup>The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

Monthly Fees<sup>2</sup> for the fee period<sup>3</sup>, (ii) payment in the amount of \$163,333.34, which is equal to 80% of the Monthly Fees for the fee period, and (iii) interim allowance and reimbursement of 100% of the actual and necessary expenses incurred by PWP during the fee period in connection with such services in the aggregate amount of \$43,401.27. In support of this Fee Statement, PWP respectfully represents as follows:

### **Jurisdiction**

1. The United States Bankruptcy Court for the District of Delaware (this “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding under 28 U.S.C. § 157(b). Venue for this matter is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The Committee consents pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) to the entry of a final order by the Court in connection with this Application to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. The statutory predicates for the relief sought herein are sections 105(a), 327(a), 328(a), and 1107(b) of the Bankruptcy Code, Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure, and Local Rules 2014-1 and 2016-1.

---

<sup>2</sup> All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the *Order Authorizing the Employment and Retention of Perella Weinberg Partners LP as Investment Banker to the Official Committee of Unsecured Creditors Effective as of November 26, 2024* [Docket No. 969] (the “Retention Order”).

<sup>3</sup> Pursuant to the terms of PWP’s Engagement Letter, the Monthly Fees earned by PWP during the fee period are as follows: (1) \$29,166.67 for the prorated monthly period of November 26, 2024 through and including November 30, 2024; and (2) \$175,000 for the monthly period of December 1, 2024 through and including December 31, 2024.

### **Background**

4. On November 3, 2024 (the “Petition Date”), the Debtors commenced the Chapter 11 Cases in this Court under chapter 11 of title 11 of the United States Code (as amended, the “Bankruptcy Code”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

5. The facts and circumstances supporting this Fee Statement are set forth in the *Declaration of David Orlofsky, in Support of Debtors’ Chapter 11 Petitions and First Day Pleadings* [Docket No. 15], which is incorporated by reference herein.

6. On November 19, 2024, the Office of the United States Trustee for the District of Delaware filed a notice [Docket No. 188] appointing the Committee, which is composed of five members.

7. On November 26, 2024, the Committee selected PWP as its investment banker, subject to Court approval. On February 12, 2025, this Court entered the Retention Order.

### **Relief Requested**

8. By this Fee Statement, PWP requests (i) interim allowance of compensation for professional services rendered on behalf of the Committee during the fee period in the amount of \$204,166.67, representing 100% of the Monthly Fees for the fee period,<sup>4</sup> (ii) payment in the amount of \$163,333.34, which is equal to 80% of the Monthly Fees for the fee period, and (iii) interim allowance and reimbursement of 100% of the actual and necessary expenses incurred by PWP during the fee period in connection with such services in the aggregate amount of \$43,401.27.

---

<sup>4</sup> Pursuant to the terms of PWP’s Engagement Letter, the Monthly Fees earned by PWP during the fee period are as follows: (1) \$29,166.67 for the prorated monthly period of November 26, 2024 through and including November 30, 2024; and (2) \$175,000 for the monthly period of December 1, 2024 through and including December 31, 2024.

9. All services for which compensation is requested by PWP were performed during the fee period on behalf of the Committee. Although PWP, in line with market convention, does not bill by the hour, PWP kept track of its post-petition time in half-hour increments in accordance with the Retention Order. During the fee period, PWP professionals spent approximately 201.5 total hours providing investment banking services to the Committee. Time records are attached hereto as **Exhibit A**.<sup>5</sup>

10. The fees charged by PWP have been billed in accordance with the Engagement Letter and the Retention Order and are comparable to those fees charged by PWP for professional services rendered in connection with similar chapter 11 cases and non-bankruptcy matters. PWP submits that such fees are reasonable based upon the customary compensation charged by similarly skilled practitioners in comparable bankruptcy cases and non-bankruptcy matters in the competitive national financial advisory and investment banking market.

11. There is no agreement or understanding between PWP and any other person, other than members of the firm, for the sharing of compensation to be received for services rendered in these Chapter 11 Cases.

#### **Actual and Necessary Disbursements**

12. PWP also incurred certain necessary expenses during the fee period for which it is entitled to reimbursement under the Engagement Letter. As set forth in detail in the summary attached hereto as **Exhibit B**, PWP's total expenses incurred during the fee period are \$43,401.27.<sup>6</sup>

---

<sup>5</sup> PWP reserves all rights regarding the allocation of its fees among the Debtors.

<sup>6</sup> Additionally, the expense reimbursements requested herein may not include certain expenses incurred by PWP during the fee period that have not been processed as of the date hereof. Any such expenses will be included in future Monthly Fee Statements.

13. PWP believes that the time entries included in **Exhibit A** attached hereto and the expense breakdown set forth in **Exhibit B** attached hereto are in compliance with the requirements of Local Rule 2016-2, as modified by the Retention Order.

WHEREFORE, PWP requests (i) interim allowance of compensation for professional services rendered on behalf of the Committee during the fee period in the amount of \$204,166.67, (ii) payment in the amount of \$163,333.34, and (iii) interim allowance and reimbursement of 100% of the actual and necessary expenses incurred by PWP during the fee period in connection with such services in the amount of \$43,401.27.

Dated: March 6, 2025

Respectfully Submitted,

**PERELLA WEINBERG PARTNERS LP**

/s/ Bruce Mendelsohn

Bruce Mendelsohn

Partner

Perella Weinberg Partners LP



**VERIFICATION**

I, Bruce Mendelsohn, pursuant to 28 U.S.C. § 1746, to the best of my knowledge and belief, and after reasonable inquiry, hereby verify that:

1. I am a Partner with Perella Weinberg Partners LP (“PWP”), and I am duly authorized to make this certification on behalf of PWP. PWP was retained by the official committee of unsecured creditors in the chapter 11 cases of the above-captioned debtors as investment banker. This certification is made in support of the *First Monthly Fee Statement of Perella Weinberg Partners LP for Payment of Compensation and Reimbursement of Expenses for the Period from November 26, 2024 Through December 31, 2024* (the “Application”) and in compliance with rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware.

2. The facts set forth in the foregoing application are true and correct to the best of my knowledge, information, and belief.

Dated: March 6, 2025

Respectfully Submitted,

**PERELLA WEINBERG PARTNERS LP**

/s/ Bruce Mendelsohn

Bruce Mendelsohn

Partner

Perella Weinberg Partners LP